E

Distr.
LIMITED

ST/ECA/LDCs.I/7
26 June 1981

Original: ENGLISH

UNITED NATIONS

ECONOMIC AND SOCIAL COUNCIL

ECONOMIC COMMISSION FOR AFRICA

First meeting of the Conference of Ministers of African Least Developed Countries.

Addis Ababa, Ethiopia, 27-31 July 1981

SUMMARY OF THE FINDINGS OF THE HIGH-LEVEL MINISTERIAL MISSIONS TO AFRICAN LEAST DEVELOPED COUNTRIES

I. INTRODUCTION

1. As part of the preparations for the first session of ECA Conference of Ministers of African least developed countries (27-31 July 1981) and the United Nations Conference on Least Developed Countries (1-14 September 1981), the Executive Secretary of ECA, mounted a number of high-level ministerial missions to the African LDCs. These missions were:

(a) Mission to Botswana, the United Republic of Tanzania and Uganda, headed by H.E. Ato Hailu Yimenu, Senior Minister and Secretary General of the CPSC of Ethiopia, accompanied by Mr. P.K. Bugembe, Economic Affairs Officer, SERPD Division.

(b) Mission to the Gambia, Lesotho, Malawi and the Sudan, headed by H.E. Ato Teferra Wolde Semait, Minister of Finance of Ethiopia accompanied by Mr. M. El-Egaily, Economic Affairs Officer, SERPD Division.

(c) Mission to Burundi, Cape Verde, Mali and Rwanda, headed by H.E. Mr. Baba-Moussa, Minister of Planning, Statistics and Economic Analysis of Benin, accompanied by Mr. J. Van den Reysen, Chief, Socio-economic Surveys and Analysis Section, SERPD.

(d) Mission to Benin, the Central African Republic, Guinea, the Niger and Upper Volta, headed by H.E. Ahmed Mohamed Ag-Hamani, Minister of Planning of Mali, accompanied by Mr. M.D. Sarr, Chief, Socio-economic Policy, Planning and Projections Section, SERPD.

2. The terms of reference of the ministerial missions included, inter alia, exchanging views and discussing with the authorities of the respective countries. A detailed guideline for the ministerial missions was prepared. The issues to be raised with country officials were identified as follows: (a) the progress made under the Immediate Action Programme (1979-1981); (b) the country presentations, including an assessment of development potentials, bottlenecks and assistance required for the 1980s under the Substantial New Programme of Action; (c) aid modalities, particularly the problems of aid co-ordination and administration along with desirable changes; (d) expectations from the donor/recipient cluster review meetings; (e) African countries' expectations from UN Conference on Least Developed Countries, and (f) post-conference institutional arrangements. The present paper is a brief summary of the major findings of the missions concerning the issues discussed with the authorities of the African least developed countries which were visited.

3. It should be stated at the outset that the country presentations were not available to the missions for an indepth analysis before they commenced their work. Some of the country presentations were still under preparation; others were made available to the missions only on their arrival in the countries visited.

II. GENERAL AND INTRODUCTORY ISSUES

4. Introductory discussions were made on the date and agenda of the ECA Conference of Ministers of African Least Developed Countries established under resolution 397(XIV) of the ECA Conference of Ministers. The commitments and efforts being undertaken to implement the African Strategy for the 1980s and the Lagos Plan of Action in the countries' national development programmes were also examined.

5. All the countries visited welcomed the initiative of ECA for mounting the missions and for convening a conference of ministers of African least developed countries on an annual basis. The countries expressed the belief that the Conference will provide a forum for the evolution of a common African stand on the major issues to be considered in the UN Conference on Least Developed Countries. All of them expressed the intentions of their countries to participate in the Conference with general support to the agenda items and proposed dates. However, one country felt that it would have been preferable for the date to be end of August so as to be as close as possible to the date scheduled for the UN Conference on Least Developed Countries in September. Also, some countries expressed the view that the agenda should focus on the discussion of an issue paper in order to enable the Conference to come up with a statement on the African position to be presented to the UN Conference on Least Developed Countries.

6. Hopes were expressed that the cluster review meetings would be quite fruitful, in generating adequate ways to alleviate the plight of these countries and that the donors would indicate in a very clear and affirmative manner their willingness and general agreement to assist the least developed countries in the 1980s on much better terms and conditions. On these grounds, some countries suggested the necessity for the ECA Conference of Ministers to be well informed on what had happened at the country's individual review meetings to enable the African least developed countries as a group to develop a clearly formulated and articulated strategy and to adopt a unified stand with a clear approach to donors at the UN Conference on Least Developed Countries in Paris. Some countries suggested that a new type of aid modalities for the LDCs should be drawn in a charter for adoption and ratification at the UN Conference. Thus, at the ECA Conference of African LDCs a draft of such a charter could be drawn up and agreed upon.

7. As regards the Lagos Plan of Action, it was noted from the discussions with the authorities of the respective countries, that countries had given some attention to its recommendations in the preparation of the national development plans. Some critical areas in the Lagos Plan of Action such as food shortages, food security, regional and subregional co-operation, conservation of energy, were also emphasized and given priority in the country programmes. In actual fact many countries stressed the fact that the Lagos Plan of Action constitutes a useful reference for African development planning and programming since it is a manifestation of the African countries' goals and objectives.

III. THE IMMEDIATE ACTION PROGRAMME 1979-1981[1/]

1. Review of the urgent short-term problems

8. In all the countries that were visited by the ECA ministerial missions, it was evident that there are many serious short-term problems that had hindered the successful implementation of long-term programmes. The major areas of particular and urgent concern in most of the African least developed countries which include slow agricultural growth especially food shortages, the energy situation particularly the oil import bill, the balance of payments deficits, world and domestic inflation, capacity utilisation and, in some countries, specific problems like transport and transit routes, diseases, droughts and floods were still prevalent.

(a) Food shortage

9. The problem of high food deficits resulting in large food import bills was singled out as of primary importance to most of the African least developed countries for any Immediate Action Programme aiming at stabilising the economies of these countries. Many causative factors in this respect were emphasized. Firstly, there was the problem of the stagnation or extremely low expansion in agricultural production along with low productivity. There were also factors like the general absence of appropriate incentive schemes, lack of appropriate machinery, spare parts and other essential inputs mainly as a result of foreign exchange shortages, abundance of agricultural wastage due to inadequacy of storage and processing facilities, etc. Many countries also pointed to the problem of declining food self-sufficiency levels. It was noted that in most of the African least developed countries the growth in food output was far below the growth in the population. In addition, the high population growth relatively put mounting pressures on the land and further constrained any improvement in agricultural productivity. In view of such problems, many of the countries emphasised the importance of improving support services to the agricultural sector.

(b) Energy

10. The energy problems and oil-prices in particular were seen by many of the African least developed countries as a serious threat to both the short-term stabilization and the long-term development. Many countries pointed to the disturbing fact that their oil import bill, even after some stringent conservation measures, was absorbing an alarmingly large part of their total export earnings leaving almost nothing for the importation of capital goods. The ratio of the oil import bill to total export earnings ranged between 30 to 90 per cent in the African least developed countries. Thus, while most countries were of the view that long-term measures in the energy sector

---

1/ See also document No.ST/ECA/LDCs.I/4 entitled: "Review of Progress in the Implementation of the Immediate Action Programme (1979-1981)".

were necessary, it was urgent and almost inevitable to work out some short-term solutions. It was therefore stressed that immediate action assistance was immediately needed to enable the African least developed countries to cope with the problems caused by the extremely high import bill. Some countries suggested that the oil-exporting countries, particularly the African oil-exporting countries, could assist in this regard with measures such as a two-tier pricing system favouring the least developed countries.

(c) Foreign exchange scarcity

11. The chronic and severe balance of payments deficits of most of the least developed African countries trapped the economies of these countries into a vicious circle of shortage of foreign exchange resulting into an inability to import spare parts and essential inputs thus bringing about a situation of low production and capacity utilization which, in turn, results into further shortages of foreign exchange earnings. In addition, many of the African least developed countries had high levels of foreign debts involving nearly insurmountable debt servicing problems. It was therefore felt by many of the African least developed countries that it was necessary to obtain immediate balance-of-payments support and debt-cancellation or re-negotiation.

(d) Inflation and domestic fiscal and monetary problems

12. The serious inflationary trends at both the world level and in the domestic economies of the African least developed countries is another area of critical concern to the countries that were visited. It was argued by many countries that the inflationary trends constrain the capacity of government to mobilize more domestic resources by increasing direct and indirect taxation. At the same time, the rising price level made it very difficult to implement projects within reasonable limits of expenditure. The result of such factors was a general inability for the Governments to balance their recurrent budgets since, under inflation, government expenditures tend to increase much faster than the government revenues. In addition, for the economy as a whole, inflation causes domestic savings to stagnate or even decline.

(e) Capacity utilisation

13. Some of the African least developed countries visited pointed out that the present low level of capacity utilisation was a problem to which the Immediate Action Programme has to address itself. It was pointed out that in some African least developed countries, capacity utilisation was as low as 30 per cent. The major cause of such excess capacity was identified as the scarcity of foreign exchange which constrained the capacity of the countries to import the spare parts and other essential inputs necessary for their production units to operate at higher levels of capacity. In a few countries however it was apparent that in addition to the foreign exchange shortages there were other problems like poor maintenance, high machine obsolescence and neglect. It was therefore evident in some countries that immediate rehabilitation programmes were urgently required.

(f) Other problems

14. Various African least developed countries drew attention of the ministerial missions to many other problems of a short-term nature which, although not common to all the countries, required immediate and urgent action. Among these problems are those of epidemic diseases especially those affecting the livestock sector, land-lockedness which affects 11 out of the 21 African least developed countries, fluctuations in the LDCs terms of trade, lack of trained technical personnel and/or adequate administrative structures, the problem of drought and floods and the poor conditions of the transport and communication sector.

2. Implementation of the Immediate Action Programme 1979-1981

(a) At the national level

15. Most of the African least developed countries visited by the ministerial missions confirmed that some offorts had been undertaken at the national level to implement the Immediate Action Programme during 1979-1981 with the aim of achieving some form of stabilisation of the economy and thereby laying a basis for launching the long-term Substantial New Programme for the 1980s. Some African least developed countries pointed out that they had actually worked out complete rehabilitation plans emphasizing sounder public finance management, the restructuring of the productive sectors and rehabilitation of the most critical areas of their economic infrastructure.

16. In the agricultural sector various countries had promulgated policies aiming at increasing food output so as to attain food self-sufficiency, improving extension services and provision of agricultural inputs, improving rural infrastructure and the marketing systems and establishing more appropriate incentives schemes.

17. In the energy sector, many countries were making reviews of policies directed mainly to the conservation of energy in the short-term through measures such as rationing and limiting the use of oil on certain days. The long-term approaches to the energy problems were mainly in the area of exploring alternative sources of energy. Some countries outlined their potential to develop energy from sources such as coal, hydro-schemes and wind. On the control of inflation, many of the African least developed countries noted the efforts they were making to reduce their resort to deficit financing and some pointed out that they had already succeeded in reducing their budget deficit by about 40 per cent through austerity and other fiscal measures.

(b) Implementation at the International Level

18. According to all the African least developed countries visited, it was clear that the response of the international community to the call for supporting the Immediate Action Programme 1979-1981 was very poor. Because the Immediate Action Programme did not receive adequate attention from the international community, the success of its implementation was far from satisfactory. During the period of the Programme 1979-1981, it seems

that there was no noticeable increase in the volume of aid to the African least developed countries. In actual fact many of the African least developed countries felt that given the high rate of world inflation during 1979-1981 there might have been a stagnation or even a decline in the flow of resources to these countries in real terms. Furthermore, the structure, terms and conditions of aid did not show any significant improvement but could instead have possibly worsened.

19. Among the problems believed by the African least developed countries to have contributed to such poor performance in the implementation of the Immediate Action Programme are the following: (a) delays resulting from the budgetary procedures in the donor countries especially in view of the fact that under normal conditions project-tied aid takes a long interval (2 years or more) between the time areas of assistance are identified and the actual flow of assistance (b) the inadequacy of national efforts to prepare for and inform potential donors about their requirements for the Immediate Action Programme thus also making it difficult to determine whether any assistance received during 1979-1981 constituted the normal assistance or a special assistance aimed at the requirements of the Imediate Action Programme; (c) the international community including especially the United Nations system did not concretely co-ordinate and follow up the implementation of the Immediate Action Programme with a result that assistance especially emergency assistance tended to be ad-hoc and haphazard.

20. Some countries, however, acknowledged that the cancellation of some of the debts was a positive contribution to the Immediate Action Programme. Also, some countries noted that during the Immediate Action Programme period emergency assistance especially in the form of food was received although even this, tended to fall far short of the countries' actual requirements.

IV. THE SUBSTANTIAL NEW PROGRAMME OF ACTION

21. The ministerial missions which visited the African least developed countries discussed the economic structures and trends of the economies of the individual least developed African countries including, in particular, the historical performance in the 1970s and the possibilities and constraints in transforming the existing structures and prevailing trends. In addition, the missions discussed the country programmes that were being proposed by the countries for the Substantial New Programme especially in respect of the main objectives and targets, the main policy instruments, the feasibility and consistency of the programme and the links of the programme projects to the overall objectives.

22. The general analysis of the country presentations of the African least developed countries is contained in another paper (No.ST/ECA/LDCs.I/5). However, here, some critical elements which came out of the discussions of the missions with the various country officials of the African least developed countries are briefly sketched so as to derive a focus for the Substantial New Programme of Action for the 1980s.

23. The first thing to note is that most of the country programmes were in the form of a single scenario. Some countries, however, tried some analysis of different scenarios under different assumptions of the volume of aid flows. The approach of having different scenario has some advantages especially in view of the uncertainities regarding the volume of assistance and exports that will actually materialize in the 1980s and in view of the fact that the scenario that most countries gave in their presentations necessitated a tremendous and very optimistic increase in aid and export volume.

24. Another very important feature that emerged from the missions' discussions on the Substantial New Programme of Action for the 1980s is the clear need for a new Immediate Action Programme. Many countries suggested that the first measures under the Substantial Programme of Action should be oriented towards solving the major urgent problems which were not adequately tackled or solved in the period 1979-1981.

25. A third feature which stands out from the reports of the visits is that in comparison to the historical growth of the African least developed countries either individually or as a group, the growth targets seem, on the whole, ambitious though realistic in light of targets and objective set in resolution 122(V). In addition, most of the countries based their programmes on relatively high rates of domestic savings implying, in many cases, marginal propensities to save of as high as 20 per cent which implies the countrys' determination to bear the maximum efforts on their own shoulders.

V. AID MODALITIES

26. A general concern expressed by the authorities of the countries visited revolved on the increasingly declining magnitude of assistance in real terms and the deteriorating quality of aid. It was stressed that in most cases the assistance failed to address itself sufficiently to the economic realities of the economies of the least developed countries. There was a strong feeling that donors have not yet fully responded to the call for expanded assistance to the least developed countries as is set forth in the Immediate Action Programme. In view of this, the African least developed countries expressed the urgent need for reviewing the various aspects of aid modalities that exist and the need for the trend of aid structure to change in favour of the recipients in the 1980s as a vital step towards the successful implementation of the Substantial New Programme of Action.

27. In the discussions on aid modalities the countries touched on a number of issues regarding especially the terms and conditions of aid, the types and volume of assistance and the organizational aspects for more efficient flow of resources to the least developed countries.

28. On the terms and conditions of aid most countries focused attention on the need for:

(a) Modification and adaptation of aid to the countries' needs, economic realities and national priorities, as most of the previous assistance was not oriented towards long-term development projects in infrastructure and the development of energy;

(b) The need to soften terms and conditions of aid which have actually worsened recently; concessionality was constantly declining and loans tend to be obtainable at costly terms in recent years; interest on loans was continuously rising and grace and amortization periods were becoming extremely shorter;

(c) A uniform untying status on all aid since the present tying of aid limits the ability of these countries to enhance their capacity for effective aid utilisation;

(d) More predictable aid with more timely disbursement since the current structure of assistance with limited predictability makes it extremely difficult for countries to have a concrete planning frame for projects and programmes;

(e) Avoiding the tendencies of donors to preselect certain sectors and/or projects as this might cause imbalances among sectors and among projects within a sector but also scatterization of assistance among various unco-ordinated projects should be avoided since this hinders the proper linking of projects and programmes;

(f) Abandoning the economic viability and profitability criteria in the donor's aid programmes and to adopt criteria according to the needs, priorities and development levels of least developed countries; thus project evaluation criteria, which are too rigid and too different from one type of aid to another, should take more into account the social benefits, indirect effects and long-term effects of the projects;

(g) Improving the conditions for technical assistance by making the duration of technical assistance long enough so as to be more productive.

29. With regard to the organizational aspects of aid administration many countries pointed out that there were many problems which caused delays and resulted into an inefficient aid system. Among the critical areas which require urgent action are:

(a) The need to synchronize and integrate assistance from various donors;

(b) The need to make aid more easily transferrable to beneficiaries by relaxing the aid legislative and administrative procedures in donor countries in the framework of a special programme to be designed to cater for the peculiar constraints of the least developed countries;

(c) The need to simplify aid procedures and make them more flexible with respect to the area, programmes and projects of support and to ensure shiftability of funds not only from year to year but between projects and major aid categories;

(d) For timely and speedy utilisation, there is an urgent need to change the organizational structure in such a way that aid donors have permanent representative delegation within or near the country with more delegation of authority to avoid unnecessary delays in implementation;

(e) The need to improve aid administration to be more responsive to the needs of least developed countries by involving these countries in aid administration in a real joint management of aid funds. In this regard, more autonomy should be given to least developed countries in administration and utilization of aid.

30. In view of the urgency of the problems facing the least developed countries and taking into account the various desirable changes in the existing aid structures and modalities, the African least developed countries visited outlined the various types and forms of assistance that would be most beneficial to them. Firstly, the huge accumulation of debt and the growing burden on debt servicing strongly call for the writing off of foreign loans and a massive conversion of outstanding debts into grants. Special attention should be paid to the quality of concessionary assistance catering especially for the peculiar constraints of the least developed countries. Secondly, there is a very urgent need for emergency and immediate balance of payment support (import support) as an integral part of the assistance programme since it is faster to use than project aid. Another form of assistance requiring urgent action relates to the oil-import-bill support. In this respect and in view of the substantial rise of oil prices, a two-tier pricing system for fuel imports could be devised in favour of the least developed countries. In addition, a new formula for oil revenue recycling should be devised and the least developed countries should be allowed to have a direct access to primary sources of financial resources (e.g. OPEC) instead of obtaining funds through secondary channels like IMF, IBRD, etc.

31. There was also great concern expressed for the need to orient aid towards "programme aid" in preference to "project assistance" to enable beneficiaries to co-ordinate more effectively their development plans in the utilization of assistance. It was felt that, in addition, programme funding to a large extent can greatly contribute to a faster simplification of aid absorption. Many countries strongly felt that special consideration should be paid to the difficulties encountered by least developed countries in raising adequate domestic resources to cover the whole of local costs of the projects. In this context it was suggested that counterpart funds should be reduced to a minimum or preferably be entirely covered by the assistance and the local contribution should be as far as possible in terms of human resources rather than in capital terms. Further, due to delays in disbursement there is need to change the common practice of reimbursement which burdens the financial positions of these countries. Many countries also argued that there was a need for increased assistance directed to the rehabilitation of existing projects and to strengthen the absorptive

vi) Recurrent cost financing. 23. The attitude of donors has not only changed towards the financing of local costs but also the financing of recurrent costs. A project may get completed but it may never be able to go on stream because the recipient country is unable to provide the project with the necessary working capital that it needs to get started. Even where they are able to do so initially they may not be able to sustain their effort because the projects may take a long time before they can generate enough revenues to cover their costs. And as in the case of local costs, even when the recurrent cost appropriations have been made the economies may not be able to translate the local monies into foreign exchange to be able to buy necessary outside inputs for the projects. When such is the case, it may appear to be financially sound to provide money to get the projects in operation rather than provide fresh money to undertake new projects.

24. LDCs are also appreciative to DAC donors for recognizing the difficulties facing recipient countries with regard to the issue of recurrent cost financing. Their major problem, though, is that they are uncertain of how much donors are willing to give in this respect at any one time and are thus unable to plan. The problem of recurrent costs to some extent defeats the purpose of economic development. When a project has been deemed to be technically, economically and financially viable it should not in the ordinary course of things rely on outside sources for help. But are we dealing with ordinary situations in African LDCs? For one thing the cost estimates may have changed because of delays in implementation, inflation, failure to provide permanent working capital, etc. For another the economy as a whole may not be ready to support the project at the given time and the question then is whether to throw the new born baby out of the calabash. Therein lies the rationale for the request for recurrent cost financing.

25. The root cause of recurrent cost problems can be traced, by an large, to the economy's total inacapacity to mobilise resources. An ongoing project may lack the necessary imported raw material inputs or spare parts to operate because the government does not have the foreign exchange even though the equivalent local currencies might be available. In such a situation not only must the project stop operating but the stoppage may have the added problem of affecting other vital sectors of the economy and thereby further dry up government revenues. It is not unusual to find in some of the LDCs that their export of a commodity such as groundnut, may be seriously affected because of lack of say hessian bags; the shortage of course being the result of lack of hessian fibre to feed a jute mill established to produce the bags.

26. The recurrent cost problem may also arise because a donor provides a grant to a recipient country and by the terms of the grant the recipient has to choose a technology that is slightly more capital intensive than would be the case if the recipient had funds of its own to purchase the equipment in the open market. In such a situation the recipient will for a long time have to depend on the donor to cover the needs of imported inputs.

27. The examples can be multiplied but it is comforting enough to feel that the problem has been fully recognised by donor countries. What perhaps does not appear to be appreciated is the fact that aid programmes, in and of themselves, add to the recurring cost burden. The establishment of a family planning centre must obviously be expected to add to the recurrent cost (both foreign and local) of the economy in operating the centre. The same is true of schools, and most of the basic needs projects.

vii) Overruns. 28. Either because of poor estimation of factor prices, or usage of materials, or productivity of labour or change in scope of the project, it is not uncommon to find the actual cost of the project exceeding the budgeted cost. This is what is known as overrun. Its occurrence has become very common nowadays because of the rampant inflation which now abounds in the world. Currency devaluation can also bring about overruns.

29. While recipient countries may have some control over internally induced inflation they are powerless with overruns associated with externally induced inflation. And yet donor countries have more often than not refused to consider the financing of the foreign exchange cost component of inflation. LDCs understand the reasons taken by donor countries. In this regard, otherwise the problem may become so open ended as to breed inefficiencies. They however feel that this is an issue where donors must exercise great flexibility. They contend that in those cases where the aid is tied it is not unusual to find the donor depending on quotations given by their own nationals. Why then must the donor decline to pick up changes in the quotations as a result of upward price variations. After all, it is they, the donors, who have control over the incidence of inflation in their countries rather than the LDCs who live thousands of miles away.

30. Perhaps a way out of this difficult issue is to suggest that donors should, as far as possible, allow sufficient margins in the individual cost headings. Over and above that they should also allow about 8 to 10 per cent of the overall project cost to cater for price escalations and another 5 per cent to cater for changes in project scope and delays in implementation.

viii) Procurement and disbursement procedures. 31. Rules and procedures relating to procurement, untied or tied, tend to be complex and diverse. Least developed countries could do with some flexibility and simplification in this area.

32. When procurement is untied or subject to international competition the usual practice is to invite tenders on a global basis; sometimes with regard to size and value of the orders. Such a practice naturally tends to be expensive and time consuming because of the fact that the procurement must be advertised; invitation to tender be preceded by tender qualification; eligibility of tenders be ascertained; bids be analysed, evaluated, classified and submitted to the donor; and final awards be approved by the latter. And, of course, at any time of the international competitive bidding process, the whole procedure might have to be started all over if the donor is not satisfied with any of the steps taken by the recipient country. Thus, while generally, African least developed countries prefer untied aid to tied aid, they feel that the procedures are so time-consuming that some improvement in them would not be out of place. For example, they would prefer that international competitive bidding should be limited to procurements above a certain value since foreign contractors might not be interested in travelling long distances for relatively small contracts. They also feel that procurement of consulting and engineering services should be provided for submission of offers on a rotation basis among consultants' origins and should be limited to a short list of no more than five pre-selected firms. They also feel this is an area where donors could make technical assistance available to them.

33. On the other hand, where procurement is tied to a particular country the difficulties could be even worse than where competitive bidding is in force. Tying seems to create bottlenecks even in cases where a supplier has been identified before the implementation of the project or programme. It is possible for example that the supplier in question may not have the equipment which is compatible with the existing infrastructure in the particular country. It is also possible

capacity of the economy to make future aid utilization. Finally some countries requested that donor institutions should give more assistance, on a regular basis, in the form of studies' Fund to enable least developed countries to build and develop their own study capabilities.

VI. UN CONFERENCE AND POST-CONFERENCE ARRANGEMENTS

32. At the time of the ministerial missions, the countries felt that they could not foresee the likely results of the UN Conference and hence the type of post-conference institutional arrangements to be step up. However, there was a general feeling that in view of the constantly declining magnitude of total assistance in real terms, the disappointing low rate of past commitments being translated into actions, the failure on the part of the donors to comply fully with the requirements of least developed countries as outlined in the Immediate Action Programme, and of the growing difficulties to adjusting to the world economic crisis of rampant world inflation and escalating prices of oil, the international community, would be more responsive and committed than ever since what is at stake is the real survival of these countries. It was thus suggested by some countries that ECA Conference of Ministers should take the initiative in a very strong manner to call upon the international organizations such as UNCTAD and ECA to obtain the necessary political commitments of donors. Moreover, these organizations should be requested to put a strong case regarding not only the effective participation of donor countries and institutions but also the quality and level of their representations in the UN Conference in Paris.

33. Some countries expressed strong reservations regarding the creation of new post-conference institutions as this would result in a proliferation of bureaucratic institutions which would take a long time to become fully operational and effectively responsive to the needs of least developed countries. Most countries gave strong support to the strengthening of existing institutions with a clear mandate to translate the conclusions of UN Conference into action. To that effect, international and regional institutions such as UNCTAD and ECA should not only continue to voice the interest of least developed countries but also to monitor and to review progress in a predictable manner, to co-ordinate the LDCs positions, to follow up international developments with donors, and to participate effectively in the global efforts for the mobilization of resources for the least developed countries. However, some countries considered that an inter-governmental committee is the most suitable structure to follow up the conclusions drawn from the UN Conference.

34. There was a general concensus among countries that ECA in its capacity as a regional commission has a pivotal and a very important co-ordinating role in Africa. ECA should survey from time to time, the economic conditions of these countries and in the light of that initiate constructive dialogue with donors to raise their appreciation of the problems and make them more aware of these problems. In this regard, ECA should be more effectively involved, as a regional commission comprising two-thirds of the total number of least developed countries, in the UN Conference to review progress, to follow implementations, to monitor attitude of donors, and

to brief the least developed countries on progress made and ways and means for future action on a subregional as well as on a regional level.

35. On the national level, the national institutions of the respective countries with the assistance of UNDP should play an active role with regard to the monitoring of their economies as this will put them in a better situation to cope with adjustments that may be deemed necessary to achieve rapid economic growth and structural transformation.